

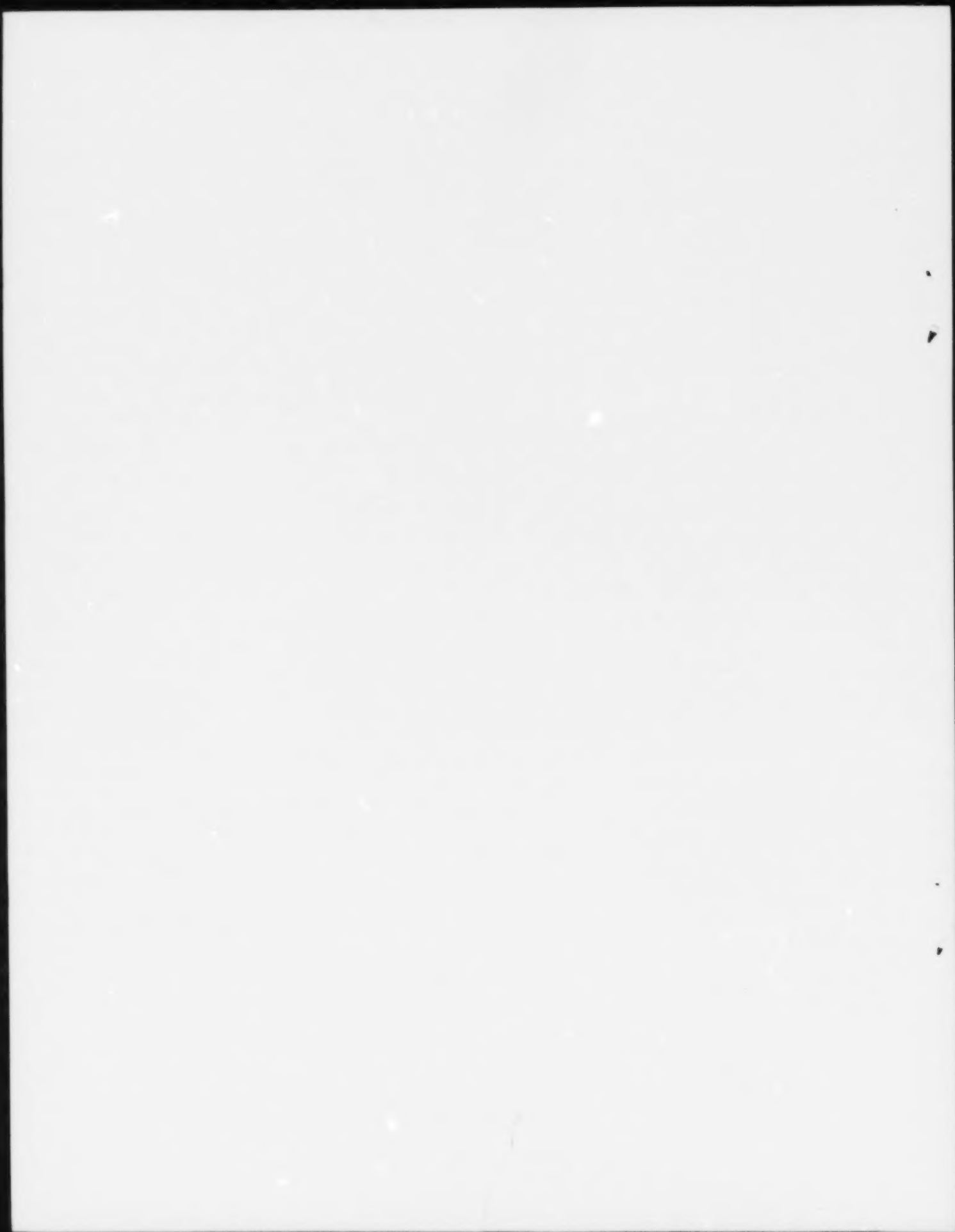


Northwest Territories Legislative Assembly

Standing Committee on Accountability and Oversight

**REPORT ON ADEQUATE, AFFORDABLE AND
SUITABLE HOUSING FOR RESIDENTS OF THE
NORTHWEST TERRITORIES**

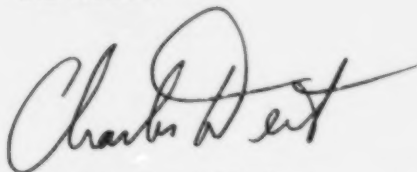
Chair: Mr. Charles Dent, MLA



THE HONOURABLE ANTHONY (TONY) WHITFORD, MLA
SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Accountability and Oversight has the honour of presenting its Report on Adequate, Affordable and Suitable Housing for Residents of the Northwest Territories, and commends it to the House.



Charles Dent, MLA
Chair

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REPORT ON ADEQUATE, AFFORDABLE AND SUITABLE HOUSING FOR RESIDENTS OF THE NORTHWEST TERRITORIES

Introduction

Early in the life of the 14th Legislative Assembly, Members developed the vision statement "Towards a Better Tomorrow". One of the shorter term results that this Assembly set out as part of our Key Goals in the document is "housing that is adequate, affordable and suitable." Members of the Standing Committee on Accountability and Oversight tabled a copy of our *Progress Report on Plans and Priorities* wherein we stated that we would continue to pursue adequate housing for Northerners. This report is intended to bring forth some discussion points, and to serve as a reminder that we have not yet achieved our objectives.

Suitable, Adequate, and Affordable Housing

Housing problems are typically sorted into three categories - suitability, adequacy, and affordability. The definitions are nationally set and are used by the Government of the Northwest Territories in assessing housing problems.

Suitability refers to the problem of overcrowding or whether a household has enough bedrooms appropriate for the number of people.

Adequacy refers to the physical condition of a dwelling or whether a household has basic facilities to provide a safe and healthy environment.

Affordability problems exist when a household pays an excessive amount for shelter. A household has an affordability problem if more than 30% of a household's income is paid to shelter costs.

It is not unusual to see adverse social and health impacts when any or all of these conditions are present in our communities. Overcrowding, lack of basic facilities such as hot and cold running water and indoor toilets can contribute to illness and lead to poor achievement. If a household is paying more than 30% of household income on shelter costs, we know that families need to cut back on other necessities such as healthy food and necessary clothing. In addition to overcrowding because of a lack of affordable housing, larger communities are seeing a growing problem of homelessness.

Lack of affordable rental accommodation in many of our communities, especially those experiencing economic growth, is creating an additional problem in employers' ability to staff positions. Some of these positions such as health workers and teachers provide basic and essential services to residents and the inability to staff positions because there is no suitable accommodation is an issue of concern to some Members.

The 2000 NWT Housing Needs Survey was completed by the NWT Housing Corporation in partnership with the NWT Bureau of Statistics, local housing organizations and communities and was tabled by the Minister Responsible for the NWT Housing Corporation. The Minister's message states that the survey shows that there are 2,726 households in need in the Northwest Territories, or one out of five households. The Minister goes on to say that not all communities have the same type of housing problems and need.

In some communities the need is for renovations and repairs to existing homes rather than for new homes. In larger centers such as Yellowknife, Inuvik and Hay River, residents face problems of affordability rather than overcrowding or condition of the home. (Pg. ii)

Household size suggests that crowding issues are improving. In 1981 approximately 13.9% of households contained six or more residents compared to 7.8% of dwellings with six or more residents at the time of the 2000 NWT Housing Needs Survey. (Source: Bureau of Statistics, 2001 Socio-Economic Scan). However there is still a need to improve the conditions of the housing units in the smaller communities and to have affordable housing available, particularly in the larger centers.

The Harmonization Project was initiated to clear up the differences in the way income and need was assessed by the Public Housing and Income Support Programs. It is intended to ensure that eligibility for government support is consistent, fair and equitable, and that government resources go to the people with the greatest need. Members have raised questions related to implementation of harmonized assessments and consequential adjustments to the current rent structure.

The Committee welcomes the news that Canada and Northwest Territories signed an affordable housing agreement earlier this month. The Agreement is aimed at helping to increase the supply of affordable housing. According to the joint press release issued on February 5, 2002, the \$7.5 million in new federal funding to be provided over a four-year period under this agreement will create an:

- Independent Housing Program which will enable low income families to access modest housing through home ownership; and
- Assisted Rental Housing, which will provide rent geared-to-income housing for low-income seniors and singles.

The Minister of Finance also highlighted this Agreement in the 2002 - 2003 Budget Address. In addition, he announced that the Government of the Northwest Territories intends to help the private sector to respond to the demand for affordable rental accommodation in non-taxed based communities.

Details as to how this will be achieved have not yet been made public and Members of our Committee look forward to hearing more on this item.

The Gaps

The Northwest Territories Housing Corporation is responsible for administering several programs to help families and individuals obtain homes that meet their specific needs. These programs include *Assisted Rental Programs* and *Home Ownership Programs*. Many of these programs are cost shared with the Canada Mortgage and Housing Corporation. The NWT Housing Corporation has \$48.5 million budgeted for the 2002 -2003 year for support to programs and subsidies targeted at lower and middle income northerners.

Although the Corporation has a range of programs to assist individuals, families, seniors and people with disabilities, there appear to be gaps between program thresholds and the result is that some families in need may be falling through the cracks. The Committee acknowledges and agrees with the statements made by the Minister responsible for housing that program criteria need to be flexible in their application. That flexibility needs to apply to eligibility criteria for rental assistance programs; it needs to apply to the types of housing units that the Corporation will approve under the Home Ownership Programs; and it needs to apply in creative ways to assist homeowners to keep their houses in good repair. For instance, in communities where there are no private sector contractors to carry out repairs for private homeowners, perhaps local housing authorities could enter into arrangements with homeowners to provide materials and labour.

In urban areas such as Inuvik, Hay River and Yellowknife the need is more focused on assistance to developers in order to lower the initial costs for new affordable housing. Because of the high cost of land development (sewer and water), there is an increase in the amount that a developer needs to borrow. This means increased borrowing costs, which in turn leads to higher rents (or mortgages) to the consumer in order that the developers may recover their costs in a reasonable time frame.

Economic Development and Job Creation

The Standing Committee on Accountability and Oversight urges the government to move forward aggressively in developing affordable housing. We have, through letters and in our response to the Review of the 2002 - 2003 Main Estimates, already expressed concern that this government has not proposed significant new monies for new and existing programs in the 2002 - 2003 budget.

In addition to providing much needed housing, the construction process itself affords an opportunity for jobs, and for local economic opportunities. Spending money on capital projects in the communities leads to job creation and a host of benefits to northerners, not the least of which is a place to live.